

**CONTRACT NO. 473-14-00315**  
**BETWEEN**  
**THE PUBLIC UTILITY COMMISSION OF TEXAS**  
**AND**  
**BOSTON PACIFIC COMPANY, INC.**

The parties to this Contract No. 473-14-00315 for technical consulting services in order to assist the Public Utility Commission (PUCT) in its review of the change in control filing(s) that Energy Future Holdings Corporation (EFH) may file with the PUCT in 2014 or early 2015, as well as any other proceedings related to the EFH change of control filing, are the Public Utility Commission of Texas (PUCT), a duly organized agency of the State of Texas with its office located at 1701 N. Congress Ave., Austin, Texas 78701 and Boston Pacific Company, Inc. (Boston Pacific), located at 1100 New York Ave, NW, Suite 490 East, Washington, DC 20005.

**Article 1. DEFINITIONS**

When used in this Agreement, the following terms shall have the following meanings:

**1.1 “Public Utility Commission,” “PUCT,” or “Commission”** means the Public Utility Commission of Texas acting through its Executive Director and the agency’s designated Contract Administrator.

**1.2 “Contractor”** includes **Boston Pacific Company, Inc.**, and any successors, heirs, and assigns.

**1.3 “Services”** means any and all services performed and any and all goods and products delivered by Contractor as specified in Attachment A.

**Article 2. COMPENSATION**

**2.1 Compensation.** Contractor agrees to provide all services (including labor, expenses, and any other services) described in Attachment A for a total price not to exceed \$365,270.

If Contractor believes that changes in the scope of services to be performed will require Contractor to increase its fee, it must request the PUCT’s written authorization to increase its fee. Contractor must document the changes in the scope of services and why they will require additional effort. The Commission must approve the increase in fee by written amendment to this Agreement before Contractor performs any services or may invoice the increased fee.

**2.2 Payment Process.** Contractor shall submit a monthly statement for services or invoice to the PUCT Contract Administrator no later than the 15<sup>th</sup> day of the month after the month that the services were performed. The invoice must contain the name of the person performing services

and a brief description of work performed. Invoices for work performed at hourly rates shall provide a detailed accounting of the time charges and the respective charge for each increment of time. On each invoice, Contractor shall identify the total due and payable.

On the statement or invoice, Contractor must include a statement that: (1) the invoice accurately describes the services performed; (2) the services have been performed in compliance with the Agreement; (3) the charges and expenses shown on the invoice are reasonable, and either necessary, or advisable and have been approved by the PUCT; and (4) the charges do not exceed any limitation provided for in this Agreement. The statement or invoice must include the vendor identification number issued by the Texas Comptroller or Contractor's federal taxpayer identification number and the name and division of the Agency Contract Administrator.

Contractor shall submit the statement or invoice to the PUCT as follows:

By email to: [Payables@puc.texas.gov](mailto:Payables@puc.texas.gov)  
Or by mail to: Accounts Payable  
Operations Division  
Public Utility Commission of Texas  
P.O. Box 13326  
Austin, TX 78711-3326

Upon approval of the statements by the Agency, the Agency will make payment to the Contractor.

**2.3 Compensation for Time.** In consideration of full and satisfactory performance of the services hereunder, the agency shall pay Contractor pursuant to this Agreement according to the final Statement of Work (SOW) Attachment A. If any portion of the billing is based upon contractor time, compensation for time will be paid only for time actually spent working on Agency matters under this Agreement. Under no circumstances will Contractor be compensated for off-duty hours while traveling. Contractor agrees to follow the Contractor Billing Guidelines set forth in the final SOW Attachment A.

The Contractor will not be compensated for administrative costs or overhead.

Contractor's acceptance of payment releases the PUCT of all claims for compensation owed in connection with this Agreement.

**2.4 Payments made to Subcontractors.** Contractor shall pay any subcontractor hereunder the appropriate share of payments received not later than the 10th day after the date Contractor

receives the payment. The subcontractor's payment shall be overdue on the 11th day after the date Contractor receives the payment. The PUCT must approve Contractor's use of any subcontractor before Contractor engages the subcontractor (see Sec. 5.1).

**2.5 Records.** Contractor and its subcontractors, if any, shall maintain records and books of account relating to services provided under this Agreement. Contractor shall, for a period of four (4) years or until all issues or audits are resolved and completed following the expiration or termination of this Agreement, maintain its records (electronic and paper) of the work performed under this Agreement. Records include, but are not limited to correspondence concerning the subject of this Agreement between Contractor and the PUCT; Contractor's internal correspondence; and correspondence between Contractor and any third party. Contractor shall make all records that support the performance of services and payment available to PUCT and/or its designees or the State Auditor during normal business hours given reasonable notice, upon the request of the PUCT Contract Administrator.

**2.6 Sole Compensation.** Payments under this Article are Contractor's sole compensation under this Agreement. Contractor shall not incur expenses with the expectation that the PUCT or any other agency of the State of Texas will directly pay the expense to a third-party vendor irrespective of the reason for incurring those expenses.

### **Article 3. CONTRACT ADMINISTRATION**

**3.1 PUCT Contract Administration.** The PUCT designates **Joseph Younger** to serve as its Contract Administrator. Contractor acknowledges that the PUCT Contract Administrator does not have any authority to amend this Agreement on behalf of the PUCT, except as expressly provided herein. Contractor further acknowledges that such authority is exclusively held by the Commission or its authorized designee, Executive Director Brian H. Lloyd.

**3.2 Contractor Contract Administration.** Contractor designates its Contract Administrator as follows: **Craig Roach, Ph.D.**

**3.3 Reporting.** Contractor shall report directly to the PUCT Contract Administrator and shall perform all activities in accordance with reasonable instructions, directions, requests, rules, and regulations issued during the term of this Agreement as conveyed to Contractor by the PUCT Contract Administrator.

**3.4 Cooperation.** The Parties' Contract Administrators shall handle all communications between them in a timely and cooperative manner. The Parties shall timely notify each other by email or other written communication of any change in designee or contact information.

**3.5 Inquiries and Prompt Referral.** Contractor understands that the PUCT does not endorse any vendor, commodity, or service. Contractor, its employees, representatives, other agents, or subcontractors may not issue any media release, advertisement, publication, or public pronouncement which pertains to this Agreement or the services or project to which this Agreement relates or which mentions the PUCT without the prior approval of the PUCT. Contractor will promptly refer all inquiries regarding this Agreement received from state legislators, other public officials, the media, or non-Parties to the PUCT Contract Administrator.

## **Article 4. REPORTS AND RECORDS**

**4.1 Written Reports.** Contractor will provide written reports to the PUCT in the form and with the frequency specified in Attachment A or as agreed to between the parties.

**4.2 Distribution of Consultant Reports.** PUCT shall have the right to distribute any consultant report associated with this contract, or to allow another Texas state agency or the Texas legislature to distribute it. PUCT shall also have the right to post any consultant report associated with this contract to the PUCT's website or to the website of a standing committee of the legislature. This provision does not waive any right to confidentiality that PUCT may assert for the report.

**4.3 Progress Reports.** In addition to any reports required as described in Attachment A, Contractor shall provide regular progress reports, either orally or electronically, to the PUCT Contract Administrator or the PUCT Technical Point of Contact, in a format and on a schedule agreed upon. If Contractor cannot provide such reports without incurring unreasonable additional expense, Contractor shall notify the PUCT's Contract Administrator of the estimated cost for providing the additional reports and information substantiating the cost, prior to incurring the expense. Failure to provide these reports may result in termination of this contract.

## **Article 5. SUBCONTRACTING PARTIES**

**5.1 Use of Subcontractors.** The Parties acknowledge and agree that at the time of execution of this Agreement, Contractor intends to perform the Services required under this Agreement using its own employees. Contractor will notify the PUCT Contract Administrator of any other proposed subcontract and will work with the PUCT HUB Coordinator to procure such other subcontractor and to submit appropriate subcontractor selection documentation for approval prior to engaging any other subcontractor, such approval not to be unreasonably withheld. Any such other subcontract or subsequent substitution of a subcontractor must be approved according to the terms of Article 7.

**5.2 Sole Responsibility.** Contractor is solely responsible for the quality and timeliness of the work produced by all subcontractors that Contractor may engage to provide Services hereunder

and for the timely payment for all such work produced by all subcontractors that the PUCT accepts and pays for in accordance with the terms of this Agreement.

**5.3 Prime Vendor Contract.** The Parties expressly agree that this Agreement is intended to constitute a prime vendor contract, with Contractor serving as the prime vendor for delivery of the Services made the subject hereof. Contractor acknowledges and agrees that it is fully liable and responsible for timely, complete delivery of the Services described in this Agreement, notwithstanding the engagement of any subcontractor to perform an obligation under this Agreement.

## **Article 6. TERM, SUSPENSION, AND TERMINATION**

**6.1 Term.** The term of this Agreement shall begin on the date the last party signs the contract and shall continue in effect until December 31, 2015, unless the Agreement is sooner terminated under Sections 6.2 or 6.3 of this Agreement or the parties renew this Agreement by written agreement in accordance with Article 7. This Agreement may be renewed for one (1) year by written agreement of the parties in accordance with Article 7. Notwithstanding the anticipated term, if the PUCT contested case proceedings and any related compliance proceedings conclude prior to the termination date, the duties of both parties shall cease, with the exception of the duties outlined in Article 6.5, Survival, of the Terms and Conditions.

**6.2 Termination for Cause by the PUCT.** If Contractor is in default of any material term of this Agreement, the PUCT may serve upon Contractor written notice requiring Contractor to cure such default. Unless within thirty (30) days after receipt of said notice by Contractor, said default is corrected or arrangements satisfactory to the PUCT, as applicable, for correcting the default have been made by Contractor, the PUCT may terminate this Agreement for default and shall have all rights and remedies provided by law and under this Agreement.

**6.3 Termination for the Convenience of the PUCT.** The PUCT may, upon thirty (30) days written notice to Contractor, terminate this Agreement whenever the interests of the PUCT so require. The PUCT shall not be liable for any damages and/or loss to Contractor as a result of termination for convenience.

**6.4 Transfer of Duties.** In the event of termination, Contractor will provide reasonable cooperation to transfer its duties under the Agreement to another entity without disruption to the progress of the work.

**6.5 Survival.** In the event that this Agreement expires or is terminated pursuant to its terms, the rights and obligations of the Parties under it shall end; provided that the provisions of Sections 2.5, 2.6, 3.5, 4.2, 6.4, 7.5, 9.2, 9.4 through 9.6, 11.3, 17.2 and 19.1 through 19.4, 19.6, 19.8, and Articles 1, 10, 12, 14, 15, 16, 20, 21, 23, 28, and 29 shall survive in their entirety.

## **Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS**

**7.1 Material Change Requests.** PUCT may propose changes to Attachment A. Upon receipt of a written request from the PUCT for a change to Attachment A, Contractor shall, within a reasonable time thereafter, submit to the PUCT a detailed written estimate of any proposed price and schedule adjustment(s) to this Agreement. No changes to Attachment A will occur without the Parties' written consent provided in accordance with the terms stated in this Agreement.

**7.2 Changes in Law, Rules, or Rulings.** Subsequent changes in federal or state legislation, rules and regulations, or rulings by the PUCT may require modification of the terms of this Agreement, including an increase or decrease in Contractor's duties or compensation. In the event of such subsequent changes to statutes, rules, and/or regulations, the PUCT and Contractor shall negotiate the terms of a contract modification, whether an increase or decrease in Contractor's duties or compensation, in good faith, and incorporate such modification into this Agreement by written amendment.

**7.3 No Assignment of Duties.** This Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of any Party (including by merger of Contractor or otherwise by operation of law); provided however that Contractor shall not otherwise, without the prior written consent of the PUCT, assign or transfer this Agreement or any obligation incurred under this Agreement. Any attempt by Contractor to assign or transfer this Agreement or any obligation incurred under this Agreement, in contravention of this paragraph, shall be void and of no force and effect.

**7.4 Amendments and Modifications.** This Agreement may not be amended or modified in any manner except by written instrument executed by authorized representatives of the Parties in accordance with the terms of this Agreement.

**7.5 Binding on Successors.** The terms of this Agreement shall be binding on any successor organization of any of the Parties.

## **Article 8. REPRESENTATIONS, WARRANTIES AND COVENANTS**

**8.1 Warranty of Performance.** Contractor represents, warrants, and covenants that it will perform the services outlined in Attachment A in a professional and workmanlike manner, consistent with professional standards of practice in the professional industry.

**8.2 Warranty of Services.** Contractor warrants that the services shall be rendered by the qualified personnel named in Section 19.7 of this Agreement. If Services provided under this

Agreement require a professional license, then Contractor represents, warrants, and covenants that the activity will be performed only by duly licensed personnel.

## **Article 9. RISK OF LOSS AND PROPERTY RIGHTS**

**9.1 Risk of Loss.** The risk of loss for all items to be furnished hereunder shall remain with Contractor until the items are delivered to the PUCT, at which time the risk of loss shall pass to the PUCT.

**9.2 Ownership.** Except for materials where any intellectual property rights are vested in a third party, such as software or hardware, in which case such rights shall remain the property of the third party, all finished materials, conceptions, or products created and/or prepared for or on behalf of the PUCT and purchased by the PUCT, or on behalf of the PUCT, that the PUCT has accepted as part of the performance of services hereunder, shall be the PUCT's property exclusively and will be given to the PUCT either at the PUCT's request during the term of the Agreement or upon termination or expiration of the Agreement. Notwithstanding the foregoing, materials created, prepared for, or purchased exclusively by the PUCT or on behalf of the PUCT are the PUCT's exclusive property regardless of whether delivery to the PUCT is effectuated during or upon termination or expiration of this Agreement.

**9.3 Licensed Software.** Contractor may obtain software licenses as an agent of the PUCT for software that is used by Contractor solely for the purpose of providing services under this Agreement. Contractor shall provide the PUCT with a copy of any software license obtained by Contractor as an agent for the PUCT for the purpose of providing services under this Agreement.

**9.4 Prior Works.** Except as provided herein, all previously owned materials, conceptions, or products shall remain the property of Contractor and nothing contained in this Agreement will be construed to require Contractor to transfer ownership of such materials to the PUCT.

**9.5 Trademarks.** The Parties agree that no rights to any trademark or service mark belonging to another Party or to any non-Party are granted to any other Party by this Agreement, unless by separate written instrument. The PUCT acknowledges and agrees that use of any trademark associated with any software provided by Contractor under this Agreement does not give the PUCT any rights of ownership in the trademark or the software.

**9.6 Program Information.** Program information, data, and details relating to Contractor's services under this Agreement shall be maintained separately from Contractor's other activities. Contractor shall undertake all reasonable care and precaution in the handling and storing of this information.

**9.7 Provision to be Inserted in Subcontracts.** Contractor shall insert an article containing paragraphs 9.2 and 9.6 of this Agreement in all subcontracts hereunder except altered as necessary for proper identification of the contracting Parties and the PUCT under this Agreement.

## **Article 10. PUBLIC INFORMATION**

**10.1 Texas Public Information Act. (Texas Government Code Chapter 552).** The Parties acknowledge that notwithstanding any other provisions of this Agreement, the Texas Public Information Act ("PIA") governs the treatment of all information held by or under the control of the Commission. The Commission will notify Contractor of requests for Contractor's information as soon as practicable.

**10.2 Agreement Not Confidential.** The Parties acknowledge that not all terms of this Agreement may be confidential pursuant to the Texas Public Information Act, regardless of whether those terms are marked "Proprietary," "Trade Secret," or "Confidential." Contractor further acknowledges that in the event of a dispute over the release of a proposal or part of a proposal the PUCT is bound by the decision made by the Office of the Attorney General of Texas.

**10.3 Contractor's Duty to Provide Public Information.** Contractor is required to make any information created or exchanged with the state pursuant to this contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state.

## **Article 11. CONFLICTS OF INTEREST AND EMPLOYMENT RESTRICTION**

**11.1 No Conflicting Relationships.** Contractor certifies to the Commission that no existing or contemplated relationship exists between Contractor and the Commission that interferes with fair competition or is a conflict of interest, and that no existing or contemplated relationship exists between Contractor and another person or organization, whether or not located within the State of Texas, that constitutes or will constitute a conflict of interest for Contractor with respect to the Commission.

**11.2 Prohibition on Transactions with Parties Adverse to Commission.** Contractor agrees that during performance of this Agreement, it will neither provide contractual services nor enter into any agreement, oral or written, to provide services to a person or organization that is regulated or funded by the Commission or that has interests that are directly or indirectly adverse to those of the Commission. The Commission may waive this provision in writing if, in the Commission's sole judgment, such activities of the Contractor will not be adverse to the interests of the Commission.



**11.3 Notice of Conflict.** Contractor agrees to promptly notify the PUCT of any circumstance that may create a real or perceived conflict of interest, whether arising prior to or during the term of the contract. Contractor agrees to use its best efforts to resolve any real or perceived conflict of interest to the satisfaction of the PUCT. Contractor's failure to do so shall be grounds for termination of this contract for cause, pursuant to Section 6.2.

## **Article 12. INDEMNIFICATION**

Contractor shall indemnify, defend and hold harmless the PUCT, the State of Texas, and its officers, agents, employees, representatives, contractors, assignees, and designees from any and all liabilities, claims, demands or causes of action, and all related costs, attorney fees and expenses of whatever kind or nature asserted by a third party and occurring in any way incident to, arising out of, or in connection with acts or omissions of Contractor, its agents, employees and subcontractors, committed in the conduct of this Agreement. Any defense shall be coordinated by contractor with the Office of the Attorney General when Texas State Agencies are named defendants in any lawsuit. Contractor may not agree to any settlement without first obtaining the concurrence from the Office of the Attorney General. Contractor and the PUCT agree to furnish timely written notice to each other of any such claim.

## **Article 13. INSURANCE**

Contractor agrees to comply with all state and federal laws applicable to the liability and payment of Contractor and Contractor's employees, including laws regarding wages, taxes, insurances, and workers' compensation. Neither the PUCT nor the State of Texas shall be liable to the Contractor, its employees, agents, or others for the provision of unemployment insurance and/or workers' compensation or any benefit available to a state employee.

**13.1 Minimum Insurance.** Contractor shall, at its sole cost and expense, secure and maintain as a minimum, from the Effective Date and thereafter during the term of this Agreement, for its own protection and the protection of the PUCT:

(a) commercial liability insurance, covering, at a minimum, the following categories of liability within the following limits: (i) bodily injury and property damage - \$1,000,000 limit per occurrence, \$2,000,000 aggregate, (ii) medical expense - \$5,000 limit per person, (iii) personal injury and advertising liability - \$1,000,000 limit, (iv) products/completed operations - \$2,000,000 aggregate, (v) damage to premises rented - \$50,000 limit;

(b) automobile liability coverage for vehicles driven by Contractor's employees (\$500,000 per occurrence); and

(c) workers' compensation insurance in accordance with the statutory limits, as follows: (i) employer's liability - \$1,000,000 each incident, (ii) disease - \$1,000,000 each employee and \$1,000,000 policy limit.

The PUCT shall be named an additional insured on the commercial liability and automobile policies.

**13.2 Certificates of Insurance.** Contractor shall furnish to the PUCT certificates of insurance, signed by authorized representatives of the surety or insurers, of all such bonds and insurance and confirming the amounts of such coverage within ten (10) days of the Effective Date of this Agreement, and upon request thereafter. Contractor shall provide the PUCT Contract Administrator with timely renewal certificates as the coverage renews. Failure to maintain such insurance coverage specified herein, or to provide such certificates promptly, shall constitute a material breach of this Agreement. Contractor shall provide thirty (30) days written notice of any notice for renewal and/or cancellation of insurance.

#### **Article 14. DISPUTE RESOLUTION**

The Parties agree to resolve disputes arising under this Agreement through the dispute resolution process provided for in Chapter 2260 of the Texas Government Code and Subchapter C of the PUCT Rules for Administrative Services.

#### **Article 15. SOVEREIGN IMMUNITY**

The State of Texas and the PUCT do not waive sovereign immunity by entering into this Agreement and specifically retain immunity and all defenses available to them under the laws of the State of Texas or the common law.

#### **Article 16. GOVERNING LAW**

Notwithstanding anything to the contrary in this Agreement, this Agreement shall be deemed entered into in the State of Texas and shall be governed by and construed and interpreted in accordance with the laws of the State of Texas that apply to contracts executed in and performed entirely within the State of Texas, without reference to any rules of conflict of laws. The Parties consent to the exclusive jurisdiction of the State of Texas. The Parties hereby submit to the jurisdiction of the courts located in, and venue is hereby stipulated to, the state courts located in Travis County, Texas. Each Party stipulates that it is subject to the jurisdiction of the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this Agreement. Further, each Party hereby waives any right to assert any defense to jurisdiction being held by the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this Agreement.

## **Article 17. COMPLIANCE WITH LAW**

**17.1 General.** Contractor shall comply with all federal, state, and local laws, executive orders, regulations, and rules applicable at the time of performance. Contractor warrants that all services sold hereunder shall have been produced, sold, delivered, and furnished in strict compliance with all applicable laws and regulations to which they are subject, including Equal Employment Opportunity laws. All laws and regulations required in agreements of this character are hereby incorporated by this reference.

**17.2 Taxes.** Contractor agrees to comply with any and all applicable state tax laws that may require any filing with and/or payment to the State of Texas as a result of any action taken as a result of this Agreement.

**17.3 Workers' Compensation.** Contractor agrees that it shall be in compliance with applicable state workers' compensation laws throughout the term of this Agreement.

**17.4 Conflicts.** Contractor agrees to abide by the requirements of and policy directions provided by the Texas statutes and the rules and regulations of the PUCT, and will inform and consult with the PUCT when further interpretations or directions are needed in order to fully implement the rules and regulations of the Commission. In the event that Contractor becomes aware of inconsistencies between this Agreement and a Texas statute or PUCT rule, Contractor will so advise the PUCT and will cooperate fully to revise applicable provisions of this Agreement as necessary.

## **Article 18. CONTRACTOR'S CERTIFICATION**

By accepting the terms of this Agreement, Contractor certifies that, to the extent applicable, it is in compliance with the following requirements and prohibitions. Contractor understands and agrees that a false certification may lead to termination of this Agreement for cause.

**18.1 Prohibitions on Gifts.** Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Agreement.

**18.2 Delinquent Obligations.** Contractor is not currently delinquent in the payment of any franchise or sales tax owed to the State of Texas, and is not delinquent in the payment of any child support obligations under applicable state law.

**18.3 Terrorist Financing.** The PUCT is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing -- Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it, via

cross referencing respondents/vendors with the Federal General Services Administration's System for Award Management (SAM), <https://www.sam.gov/>, which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list at: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.

Respondent certifies that the responding entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Respondent is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at: <https://www.sam.gov/>.

**18.4 Antitrust.** Neither Contractor nor anyone acting for Contractor has violated the antitrust laws of this State, codified in Section 15.01, et seq., of the Texas Business and Commerce Code or the Federal Antitrust Laws, nor has communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage.

**18.5 Family Code.** Contractor has no principal who is ineligible to receive funds under Texas Family Code Section 231.006 and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.

**18.6 Prohibited Compensation.** Contractor has not received compensation from the PUCT, or any agent, employee, or person acting on the PUCT's behalf for participation in the preparation of this Agreement.

**18.7 Government Code.** Under Texas Government Code Section 2155.004, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.

**18.8 Outstanding Obligations.** Payments due under the contract will be applied towards any debt that is owed to the State of Texas, including but not limited to delinquent taxes and child support.

**18.9 Contracting with Executive Head of State Agency.** Contractor certifies this Agreement is in compliance with Texas Government Code Section 669.003 relating to contracting with the executive head of a State agency. If Texas Government Code Section 669.003 applies, bidder will complete the following information in order for the bid to be evaluated: Name of Former Executive; Name of State Agency; Date of Separation from State Agency; Position with Bidder; and Date of Employment with Bidder.

**18.10 Buy Texas.** Contractor will comply with Texas Government Code Section 2155.4441, pertaining to service contracts regarding the use of products produced in the State of Texas.

**18.11 Hurricane Recovery.** Under Texas Government Code Section 2155.006, Contractor certifies that the individual or business entity named in this proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

## **Article 19. GENERAL PROVISIONS**

**19.1 Relationship of Parties.** Contractor is and shall remain at all times an independent contractor, and nothing in this Agreement shall be deemed to create a joint venture, partnership, employment, franchise, master-servant, or agency relationship between the Parties. Except as expressly provided to the contrary elsewhere in this Agreement, no Party has any right or authority to act on behalf of another Party, nor to assume or create any obligation, liability or responsibility on behalf of another Party. Under no circumstances shall the relationship of employer and employee be deemed to arise between the PUCT and Contractor's personnel. Contractor shall be solely responsible for achieving the results contemplated by this Agreement, whether performed by Contractor, its agents, employees or subcontractors.

**19.2 Taxes and Statutory Withholdings.** Contractor acknowledges that it is not a PUCT employee, but is an independent contractor. Accordingly, it is Contractor's sole obligation to report as income all compensation received by Contractor under the terms of this Agreement. Contractor is solely responsible for all taxes (federal, state, or local), withholdings, social security, unemployment, Medicare, Workers' Compensation insurance, and other similar statutory obligations (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Contractor shall defend, indemnify and hold the PUCT harmless to the extent of any obligation imposed by law on the PUCT to pay any tax (federal, state, or local), withholding, social security, unemployment, Medicare, Workers' Compensation insurance, or similar statutory obligation (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this Agreement. Further, Contractor understands that neither it nor any of its individual employees is eligible for any PUCT employee benefit, including but not limited to holiday, vacation, sick pay, withholding taxes (federal, state, or local), social security, Medicare, unemployment or disability insurance, Workers' Compensation, health and welfare benefits, profit sharing, 401(k) or any employee stock option or stock purchase plans. Contractor hereby waives any and all rights to any such PUCT employment benefit.

**19.3 Notice.** Except as otherwise stated in this Agreement, all notices provided for in this Agreement shall be (a) in writing, (b) addressed to a Party at the address set forth below (or as expressly designated by such Party in a subsequent effective written notice referring specifically

to this Agreement), (c) sent by FedEx, with proper postage affixed and (d) deemed effective upon the third business day after deposit of the notice with FedEx.

**IF TO THE PUCT:**

ATTENTION: Brian H. Lloyd, Executive Director  
Public Utility Commission  
1701 N. Congress Ave., 7<sup>th</sup> Floor  
Austin, TX 78701

With a copy to the PUCT Contract Administrator at the same address.

**IF TO CONTRACTOR:**

ATTENTION: Craig Roach, Ph.D., President  
Boston Pacific Company, Inc.  
1100 New York Ave., NW, Suite 490 East  
Washington , DC 20005

**19.4 Headings.** Titles and headings of paragraphs and sections within this Agreement are provided merely for convenience and shall not be used or relied upon in construing this Agreement or the Parties' intentions with respect thereto.

**19.5 Export Laws.** Contractor represents, warrants, agrees and certifies that it (a) shall comply with the United States Foreign Corrupt Practices Act (regarding, among other things, payments to government officials) and all export laws and rules and regulations of the United States Department of Commerce or other United States or foreign agency or authority and (b) shall not knowingly permit any non-Party to directly or indirectly import, export, re-export, or transship any intellectual property or any third-party materials accessed by Contractor during the course of this Agreement in violation of any such laws, rules or regulations.

**19.6 Preprinted Forms.** The use of preprinted forms, such as purchase orders or acknowledgments, in connection with this Agreement is for convenience only and all preprinted terms and conditions stated thereon are void and of no effect. The terms of this Agreement cannot be amended, modified, or altered by any conflicting preprinted terms, provisions, or conditions contained in a preprinted form, such as purchase orders or acknowledgements. If any conflict exists between this Agreement and any terms and conditions on a purchase order, acknowledgment, or other preprinted form, the terms and conditions of this Agreement will govern.

**19.7 Specific Personnel.** Contractor has identified the personnel for this assignment ("Team"), as follows:

Craig Roach, Ph.D., Principal

Frank Mossburg, Managing Director  
Vincent Musco, Project Director  
Andrew Gisselquist, Project Director

Contractor warrants that it shall use its best efforts to avoid any changes to the Team during the course of this Agreement. Should personnel changes occur during the contract period, Contractor will recommend to the PUCT personnel with comparable experience and required qualifications and training. The PUCT must approve any change in personnel on this project in writing prior to personnel beginning work. Contractor shall provide individuals qualified to perform the tasks assigned to such individual. At the PUCT's request, Contractor shall remove from the project any individual whom the PUCT finds unacceptable. Contractor shall replace such individual with another individual satisfactory to the PUCT as soon as practicable.

**19.8 Publicity.** Contractor understands and agrees that no public disclosures or news releases pertaining to this Agreement or any results or findings based on information provided, created, or obtained to fulfill the requirements of this Agreement shall be made without the prior written approval of the PUCT.

#### **Article 20. NO IMPLIED WAIVER**

The failure of any Party, at any time, to enforce a provision of this contract will not constitute a waiver of that provision; will not affect the validity of this contract or any part of it; and will not affect the right of any Party to enforce each and every provision.

#### **Article 21. ORDER OF PRECEDENCE**

In the event of conflicts or inconsistencies between the provisions of this contract and its attachment(s), the provisions of this contract will control.

#### **Article 22. FORCE MAJEURE**

Neither the PUCT nor Contractor will be considered in default in the performance of its obligations under this contract to the extent that the performance of such obligations is prevented or delayed by any cause beyond the reasonable control of the affected Party, which such Party could not, by due diligence have avoided, including but not limited to acts of God, severe weather, explosions, riots, acts of war, or orders of legal authority. Such causes will not relieve either Party of liability in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner, with all reasonable dispatch, and to give notice and full particulars of the same in writing to the other Party as soon as possible after the occurrence of the cause that prevented or delayed performance of the obligations. If the event of Force Majeure continues for a period of more than one hundred and eighty (180) days, either Party thereafter

may terminate this contract upon giving at least ten (10) days prior written notice to the other Party.

#### **Article 23. SEVERABILITY**

If any provision of this contract is held unlawful or otherwise unenforceable, such provision will be severed and deemed deleted and the remainder of this contract will continue in full force and effect, as if such provision had never existed.

#### **Article 24. FUNDING OUT CLAUSE**

This contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, legislative or executive budget cuts, amendment of the Appropriations Act, state agency consolidations, or any other disruptions of current appropriations, provisions of the Termination Article shall apply. Any contract resulting from this solicitation is contingent upon the continued availability of lawful appropriations by the Texas Legislature. *See* Texas Constitution, Article III Section 49, State Debts; and Texas General Appropriations Act for the 2014-2015 Biennium, Article IX, Section 6.03, Excess Obligations Prohibited.

#### **Article 25. DRUG FREE WORKPLACE POLICY**

The contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988, 41 U.S.C. Section 8102, et seq., and 48 CFR § 52.223-6 Drug-Free Workplace) and maintain a drug-free work environment. The requirements of the Drug Free Workplace Act and the rules interpreting it are incorporated by reference and the contractor shall comply with the relevant provisions thereof, including any amendments that may hereafter be issued.

#### **Article 26. SUBSTITUTIONS**

Substitutions are not permitted without prior written approval of the PUCT.

#### **Article 27. PAST PERFORMANCE**

A Respondent's past performance will be measured based upon pass/fail criteria, in compliance with applicable provisions of Texas Government Code Sections 2155.074, 2155.075, 2156.007, and 2157.125. Respondents may fail this selection criterion for any of the following conditions:

- 1) Having a score of less than 90% in the Vendor Performance System;
- 2) Being currently under a Corrective Action Plan through the Texas Comptroller of Public Accounts (CPA);



- 3) Having repeated negative Vendor Performance Reports for the same reason; or
- 4) Having purchase orders that have been cancelled in the previous 12 months for non-performance (i.e. late delivery, etc.).

Contractor performance information is located on the CPA web site at:  
[http://www.window.state.tx.us/procurement/prog/vendor\\_performance/](http://www.window.state.tx.us/procurement/prog/vendor_performance/).

CPA may conduct reference checks with other entities regarding past performance. In addition to evaluating performance through the Vendor Performance Tracking System (as authorized by 34 Texas Administrative Code Section 20.108), CPA may examine other sources of vendor performance including, but not limited to, notices of termination, cure notices, assessments of liquidated damages, litigation, audit reports, and non-renewals of contracts. Any such investigations shall be at the sole discretion of CPA, and any negative findings, as determined by CPA, may result in non-award to the Respondent.

#### **Article 28. RIGHT TO AUDIT**

Pursuant to Section 2262.003 of the Texas Government Code, the State Auditor may conduct an audit or investigation of Contractor or any other entity or person receiving funds from the state directly under this Agreement or indirectly through a subcontract under this contract. The acceptance of funds by Contractor or any other entity or person directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Contractor or any other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the vendor and the requirement to cooperate is included in any subcontract awards.

#### **Article 29. ENTIRE AGREEMENT**

This contract constitutes the entire agreement and understanding between the parties with regard to its subject matter and supersedes and merges all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of these services. Any terms and conditions attached to a solicitation will not be considered unless specifically referred to in this Agreement and may result in disqualification.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the last date signed.

**The Public Utility Commission of Texas**

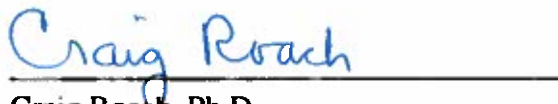
**Boston Pacific**

By:

By:

A handwritten signature in black ink, appearing to read "Brian H. Lloyd", written over a horizontal line.

Brian H. Lloyd  
Executive Director

A handwritten signature in blue ink, appearing to read "Craig Roach", written over a horizontal line.

Craig Roach, Ph.D.  
President

Date Signed: \_\_\_\_\_

Date Signed: 7-30-14

**ATTACHMENT A  
TO CONTRACT NO. 473-14-00315  
STATEMENT OF WORK**

The contractor will provide technical consulting services related to the change in control filing that the PUCT expects Energy Future Holdings Corporation (EFH) may file, as well as any related proceedings that may be necessary as determined by the Commission. If requested by the PUCT, the contractor will participate in the contested case proceedings, including evaluating the proposed EFH transaction, submitting pre-filed written testimony, responding to discovery, testifying at hearings, and assisting Commission Staff with its general litigation activities in connection with the EFH transaction. The decision whether to designate Contractor as an expert in contested case proceedings will be at the discretion of the PUCT Contract Administrator. The contractor shall also provide technical support and evaluation services described below.

An understanding of the PUCT's order in PUCT Docket No. 34077, including the "ring fence" provisions of that order and the related stipulation described below, Oncor's governance structures, financial relationships, and operations, the financial relationships, governance structures, and operations within the Energy Future Holdings Corporation and affiliates, shall be necessary to analyze and evaluate properly the proposed EFH transaction.

In its recent bankruptcy filing, EFH has acknowledged that it may need to seek certain regulatory approvals as part of its restructuring process. Specifically, the PUCT anticipates that EFH may file with the PUCT one or more change in control proceedings pursuant to PURA §§ 39.262 and 39.915. In the change in control proceeding(s), the PUCT anticipates that EFH will seek PUCT approval of the change in controlling interest in Oncor that may occur as a result of EFH's proposed restructuring or modifications to the proposed restructuring ordered by the bankruptcy court.

Services

As part of the technical consulting services related to the proceedings associated with the EFH transaction described above, the contractor will undertake, but is not limited to, the following tasks as deemed necessary by the Commission Staff:

- review and evaluate EFH's change in control filing(s) and the proposed EFH transaction's potential impact on the public interest, Oncor, Oncor's parent company and Oncor's retail customers in Texas and provide a written evaluation with conclusions and recommendations on modifications that may be needed to protect the public interest;

- review and evaluate the change in control filing(s) to determine the need for continuation, modification or additions to the existing “ring fence” provisions applicable to Oncor;
- review and evaluate the need for any commitments made by the new owners of Oncor concerning, among others, financing and reorganization;
- review the effect, if any, the proposed transaction will have on Oncor as a separate legal entity from EFH, and EFH affiliates including Energy Future Intermediate Holding Company (EFIH), Texas Competitive Electric Holdings Company (TCEH), TXU Energy and Luminant;
- review the separation of management and staff of Oncor from the management and staff of EFH, TXU Energy and Luminant;
- review the proposed transaction(s) to ensure Oncor's continued financial independence from EFH, TXU Energy and Luminant;
- make a determination whether the proposed transaction(s) provides reasonable assurance that Oncor will be in compliance with PURA and the PUCT's rules relating to, among other things, the separation of competitive and regulated businesses that are under common ownership and the Commission's code of conduct rules (*see* <http://www.puc.state.tx.us/rules/subrules/electric/index.cfm>)
- make a determination whether Oncor will be sufficiently capitalized based on the capital needs for providing transmission and distribution service in its service area and managing the risks associated with providing such service; and
- make a determination whether Oncor will have sufficient access to capital to permit it to provide adequate service to customers, taking into account the growth expectations for the Oncor service area and other factors that may result in future capital needs.

The contractor will provide PUCT Staff a written evaluation and analysis of the EFH transaction.

The contractor may also, at the discretion of the PUCT Contract Administrator, participate in the EFH change in control contested case proceeding(s) and any related proceedings at the PUCT. Work in the contested case(s) and subsequent compliance proceedings related to the EFH transaction may include, but is not limited to:

- attending Open Meetings at which the Commissioners consider matters related to the EFH transaction;
- propounding and responding to discovery requests;
- preparing and presenting direct testimony;
- testifying at contested case hearings and in depositions;
- attending hearings, prehearing conferences, technical conferences and other meetings as deemed necessary in the course of the proceeding(s);
- assisting Commission Staff during the proceeding with its general litigation preparation and other matters as necessary;

- providing other technical consulting services as necessary to support Commission Staff in the proceeding(s); and
- assisting in preparing post-hearing briefs, exceptions and replies to proposals for decision, motions, and other written pleadings as necessary.

If required, the contested case services will be provided under the direction of a Commission Staff attorney, who will review proposed testimony, conduct direct and re-direct examination of the contractor's witness, and generally manage the Commission Staff case during the hearing.

Boston Pacific's proposed Work Plan of Proposed Activities and Events (pages 8-17 of Boston Pacific's proposal) is incorporated into this contract and included as Attachment A-1, with the exception of the proposed schedule, which must be adjusted based upon a later-than-planned start date. In the event of a conflict between the terms and conditions of this contract and/or the statement of work and the work plan, the terms and conditions and statement of work control.

### Pricing

The following are the categories of services to be provided and the cost per hour of each category:

- Principal - \$505/hour
- Managing Director - \$365/ hour
- Project Director - \$275/hour
- Research Analyst - \$160/hour
- Administrative - \$100/hour

For review and evaluation services, the total estimated hours of work will be 740 hours. For contested case services, the total estimated hours of work are 373 hours. Contractor will bill only for actual hours worked, with a total not to exceed \$365,270.

**ATTACHMENT A-1  
TO CONTRACT NO. 473-14-00315  
PROPOSED WORK PLAN**

## **B. Work Plan of Proposed Activities and Events**

To meet the RFP requirements, Boston Pacific provides below a work plan of proposed activities and events, including a task-by-task scope of work. Note that we split the work plan into two general categories: the first relates to all Review and Evaluation Services, while the second relates to Contested Case Services.

### **1. Review and Evaluation Services**

**Task 1: Review and evaluate EFH's change in control filing(s) and the proposed EFH transaction's potential impact on the public interest, Oncor, Oncor's parent company and Oncor's retail customers in Texas and provide a written evaluation with conclusions and recommendations on modifications that may be needed to protect the public interest.**

Boston Pacific would complete Task 1 as stated. We expect this task to require a substantial amount of work and foresee six subtasks.

- The first subtask would be to ensure that we have the full EFH submission, including testimony, exhibits, and work papers.
- The second subtask would be to review the full submission.
- The third subtask would be to work with the Texas Commission Staff to develop and submit data requests to ensure that any questions we still have after the review are answered by EFH.
- The fourth subtask would be to identify and document any impacts of the proposed transactions on Oncor, Oncor's parent company, and Oncor's retail customers in Texas. To guide this effort we would focus our review on central questions, such as who are the companies involved – especially, who is the new owner of Oncor? How will the acquisition be financed? What are the bond rating agencies saying and doing about the proposed transaction in the context of the bankruptcy?

- The fifth subtask would be to identify in detail any potential harms we could see to Oncor and its customers from the proposed transaction. (As noted, in the original case we listed ten possible harms.<sup>14</sup>)
- The sixth subtask would be to convey what we found in subtasks one to five in a report to the Texas Commission Staff, which would include “conclusions and recommendations on modifications that may be needed to protect the public interest.”

**Task 2: Review and evaluate the change in control filing(s) to determine the need for continuation, modification or additions to the existing “ring fence” provisions applicable to Oncor.**

Boston Pacific would complete Task 2 as stated. We foresee three subtasks.

- The first subtask would be to summarize the existing ring fencing provisions. Again, this is the obvious first step since they were so successful in protecting Oncor ratepayers from the bankruptcy. A central effort here is to review the Stipulation and the Texas Commission Order approving the Stipulation.<sup>15</sup>
- The second subtask would be to review the annual compliance filings by Oncor to see if any issues arose on implementation of the ring fencing.<sup>16</sup>
- The third subtask would be to determine if any modifications are required. One obvious modification is to extend the term of the ring fencing requirements if any of the provisions had limited terms of application. Another effort here would be to determine if the transaction as proposed

<sup>14</sup> Direct Testimony of Craig R. Roach, Ph.D., page 9, line 1 to page 10, line 15.

<sup>15</sup> Stipulation in the Joint Report and Application of Oncor Electric Delivery Company and Texas Energy Future Holdings Limited Partnership Pursuant to PURA §14.101, Docket No. 34077, Before the Public Utility Commission of Texas (October 24, 2007); see, also: Order, PUCT Docket No. 34077.

<sup>16</sup> For example, see “2013 Annual Compliance Report of Oncor Electric Delivery Company LLC Pursuant to the Commission’s Order Issued in Docket No. 34077,” *Docket No. 34077, Before the Public Utility Commission of Texas*, May 6, 2014.



differed from the original transaction in ways that would require additional ring fencing provisions.

**Task 3: Review and evaluate the need for any commitments made by the new owners of Oncor concerning, among others, financing and reorganization.**

Boston Pacific would complete Task 3 as stated. As in the original case, we would expect Oncor to make commitments meant to address concerns about the financial and operating effects of the transaction on Oncor and its customers.

- The first subtask would be to assess Oncor's proposed commitments.
- The second subtask would be to compare the proposed commitments to the commitments required in the Stipulation, and then compare them to the need for commitments dictated by our assessment of specific risks of harm.
- The third subtask would be to assess whether the proposed commitments are sufficient to mitigate the harm or would additional mitigations be required.

**Task 4: Review the effect, if any, the proposed transaction will have on Oncor as a separate legal entity from EFH, and EFH affiliates including Energy Future Intermediate Holding Company, Texas Competitive Electric Holdings Company, TXU Energy and Luminant.**

Boston Pacific would complete Task 4 as stated. The key issue here is corporate governance; that is, who makes the crucial decisions about Oncor's financial and physical actions, including, but not limited to, the incurrence of debt, the payment of dividends, and investment in physical capital.

- The first subtask would be to review the governance requirements in the original Stipulation and the Texas Commission Order approving the Stipulation.

- The second subtask would be to identify the governance provisions being proposed by Oncor in this proceeding.
- The third subtask would be to assess whether the proposed governance provisions are adequate to ensure Oncor remains a separate legal entity from all the entities that constitute EFH.

**Task 5: Review the separation of management and staff of Oncor from the management and staff of EFH, TXU Energy and Luminant.**

Boston Pacific would complete Task 5 as stated. The issues here include both planned staffing and governance. A crucial threshold issue here is exactly who will own Oncor after the bankruptcy proceeding is complete and what does that mean for Oncor's management team?

- The first subtask would be to assess the experience and reputation of the new owners.
- The second subtask would be to reflect what was learned in the first subtask in both the management staffing plan and the governance of Oncor.
- The third subtask would be to assess if any additional conditions are required.

**Task 6: Review the proposed transaction(s) to ensure Oncor's continued financial independence from EFH, TXU Energy and Luminant.**

Boston Pacific would complete Task 6 as stated. This task includes an assessment of the financing plan for the transaction, the financing plan for Oncor going forward, and, again, the proposed governance.

- The first subtask would be to assess the plan to finance the transaction.
- The second subtask would be to assess the projected capital needs of Oncor looking out at least five years.

- The third subtask would be to assess Oncor's plans to raise the needed capital for at least the next five years.

**Task 7: Make a determination whether the proposed transaction(s) provides reasonable assurance that Oncor will be in compliance with PURA and the PUCT's rules relating to, among other things, the separation of competitive and regulated businesses that are under common ownership and the Commission's code of conduct rules.**

As to PURA compliance, the core issue is whether the transaction is in the public interest. PURA states:

The commission shall approve a transaction under Subsection (a) if the commission finds that the transaction is in the public interest. In making its determination, the commission shall consider whether the transaction will adversely affect the reliability of service, availability of service, or cost of service of the electric utility or transmission and distribution utility. The commission shall make the determination concerning a transaction under this subsection not later than the 180th day after the date the commission receives the relevant report. If the commission has not made a determination before the 181st day after that date, the transaction is considered approved.<sup>17</sup>

- The first subtask would be to define the requirements of PURA for this transaction.
- The second subtask would be to define the PUCT's rules "relating to, among other things, the separation of competitive and regulated businesses that are under common ownership and the Commission's code of conduct rules."<sup>18</sup>

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<sup>17</sup> Public Utility Regulatory Act, Title 11, Texas Utilities Code, Public Utility Commission of Texas, §§ 39.915 (b) (Effective September 1, 2011).

<sup>18</sup> RFP No. 473-14-00315, 13.

- The third subtask would be to assess compliance with both PURA requirements and PUCT rules.

**Task 8: Make a determination whether Oncor will be sufficiently capitalized based on the capital needs for providing transmission and distribution service in its service area and managing the risks associated with providing such service.**

Boston Pacific would complete Task 8 as stated. The work here would overlap with that in Task 6 since adequacy and financial independence are linked.

- The first subtask would be to review Oncor's projected investments over at least the next five years.
- The second subtask would be to review Oncor's plan to finance the needed investment.
- The third subtask would be to assess the risk of this proposed financing plan in the context of proposed ring fencing, governance, and other commitments.

**Task 9: Make a determination whether Oncor will have sufficient access to capital to permit it to provide adequate service to customers, taking into account the growth expectations for the Oncor service area and other factors that may result in future capital needs.**

Boston Pacific would complete Task 9 as stated. The work here would overlap with the work in Tasks 6 and 8.

- The first subtask would be to assess the availability of debt capital. We expect to review written assessments from the three rating agencies and to consult in person with at least one of them in New York.
- The second subtask would be to assess the availability of equity. This is one of the reasons the status of the new owners is crucial. For example,

are the new owners proposing private equity or will they seek equity investment from the public markets?

- The third subtask would be to assess the availability of capital given the level of capital needs reflecting Oncor's expected growth.

**Task 10: Provide PUCT Staff a written evaluation and analysis of the EFH transaction.**

Until EFH files and the Texas Commission sets the issues for hearing, we cannot know with precision the specific issues that would need to be addressed in the report. However, Boston Pacific's Direct Testimony in the original case gives us a good idea of what the broad outline of a report (and possibly the expert testimony) might be. Revisiting Boston Pacific's Direct Testimony in the original proceeding, we see that, to be helpful to the Texas Commission, it is likely that Boston Pacific would have to complete six subtasks.

- The first subtask would be to assist the Texas Commission in its definition of a public interest standard. Identifying and explaining case precedents is a great way to assist the Texas Commission in this regard. We would add to the already substantial number of case precedents that we used in the original case. To illustrate the type of new precedents we would add, we point to two cases before the Maryland Public Service Commission (Maryland Commission) when it was confronted with the proposed acquisition of Baltimore Gas and Electric; like Oncor, BG&E was the local transmission and distribution company.<sup>19</sup> These two precedents are especially relevant because the Maryland Commission's concern was the possible bankruptcy of Constellation, BG&E's parent. The cases are also relevant because the Maryland Commission took on the issue of how to define public interest – is it simply an absence of harm or must net

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<sup>19</sup> For example, Order No. 84698 in the Matter of the Merger of Exelon Corporation and Constellation Energy Group, Inc., Case No. 9271, Before the Public Service Commission of Maryland (February 17, 2012); see also Order 82986 in the Matter of the Current and Future Financial Condition of Baltimore Gas and Electric Company, Case No. 9173, Phase II, Before the Public Service Commission of Maryland (October 30, 2009).

benefits be demonstrated? Even more relevant is the fact that the Maryland Commission required extensive ring fencing.

- The second subtask would be to assess the nature and impact of the acquisition. As in our original Direct Testimony, we would identify the risk of harm to Oncor and its customers due to the acquisition. Our list and explanation of ten potential harms may serve as a good starting point here.<sup>20</sup>
- The third subtask would be to identify the specific risks of harm to Oncor and its customers, and to recommend mitigation for each of those harms. Again, in the original case, we identified ten possible harms, which we then mitigated with specific provisions, including ring fencing.<sup>21</sup>
- The fourth subtask would be to assess any possible benefits of the acquisition.
- The fifth subtask would be to address each and every issue set for hearing by the Texas Commission.
- The sixth subtask would be to prepare a report on the results of the previous five subtasks. Our approach is typically to present the Texas Commission Staff with a key points outline of the report, then a draft, and then the final version. The Texas Commission Staff would have ample time for discussion and input.

## **2. Contested Case Services**

As documented elsewhere herein, Boston Pacific has extensive experience as an expert witness in close to 100 cases in a wide range of forums. For Contested Case Services, the only challenge is “quantifying” the extent of the work. How many hearings will be attended? How extensive will data responses be? How much help will the Texas Commission Staff want with preparation of cross-examination of other witnesses? And so on. This “quantification” is

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<sup>20</sup> Direct Testimony of Craig R. Roach, Ph.D., page 69, line 13 to page 70, line 20.

<sup>21</sup> Ibid., page 71, line 1 to page 101, line 2.

necessary in order to provide a fixed price. In the work tasks below, we give assumed parameters for the budget estimate. The broadest assumption is that the direct testimony can readily be based on the report in Task 10.

**Task 11: Attending Open Meetings at which the Commissioners consider matters related to the EFH transaction.**

We assume one Open Meeting to present our findings and would stand ready for questions by the Texas Commission.

**Task 12: Propounding and responding to discovery requests.**

We assume there will be one round each for propounding and responding to discovery requests. Since discovery requests to EFH were anticipated in Task 1, we assume only 25 additional questions for case services. For discovery requests to which Boston Pacific must respond, we assume 50.

**Task 13: Preparing and presenting direct testimony.**

Assuming the Task 10 report is a solid foundation, there would be moderate effort here to put that into a testimony format. We anticipate one internal draft for review by the Texas Commission Staff and then preparation of the final version for submission.

**Task 14: Testifying at contested case hearings and in depositions.**

We assume no deposition, and one day for mock cross and two days for actual cross at hearing.

**Task 15: Attending hearings, prehearing conferences, technical conferences and other meetings as deemed necessary in the course of the proceeding(s).**

Per Task 11 and 14, we expect to appear at one hearing and at one Open Meeting.

**Task 16: Assisting Commission Staff during the proceeding with its general litigation preparation and other matters as necessary.**

We assume Boston Pacific personnel would assist in preparing cross for opposing witnesses, but not attend the entire trial.

**Task 17: Providing other technical consulting services as necessary to support Commission Staff in the proceeding(s).**

We assume limited additional work here because of the considerable work in and discussion of Task 1 to Task 10.

**Task 18: Assisting in preparing post-hearing briefs, exceptions and replies to proposals for decision, motions, and other written pleadings as necessary.**

We assume limited work here, primarily related to reviewing the Texas Commission Staff's post-trial brief.

**C. Timeline of Activities and Events**

Boston Pacific proposes the following timeline to complete the work. We propose beginning the work on June 26, 2014, one day after the anticipated date of contract execution.



**CONTRACT NO. 473-14-00315**  
**AMENDMENT NO. 1**  
**BETWEEN**  
**THE PUBLIC UTILITY COMMISSION OF TEXAS**  
**AND**  
**BOSTON PACIFIC COMPANY, INC.**

The parties to this amendment of Contract No. 473-14-00315 for technical consulting services in order to assist the Public Utility Commission (PUCT) in its review of the change in control filing(s) that Energy Future Holdings Corporation (EFH) may file with the PUCT, are the PUCT, a duly organized agency of the State of Texas with its office located at 1701 N. Congress Ave., Austin, Texas 78701 and Boston Pacific Company, Inc. (Boston Pacific), located at 1100 New York Ave, NW, Suite 490 East, Washington, DC 20005.

**Article 1. DUTIES OF THE PARTIES**

The parties' duties and the requirements of Contract No. 473-14-00315, shall remain the same, except as specifically modified by this document.

**Article 2. EFFECTIVE DATE**

This amendment is effective as of the date the last signatory signs.

**Article 3. SERVICES AND COMPENSATION**

All services provided under Contract No. 473-14-00315, remain unchanged except as modified by this document. Compensation for services provided shall remain unchanged.

**Article 4. PUCT CONTRACT ADMINISTRATOR**

By this amendment, the PUCT amends its designation of contract administrator. The PUCT contract administrator shall be Margaret Pemberton.

**Article 5. BOSTON PACIFIC CONTRACT ADMINISTRATOR**

By this amendment Boston Pacific amends its designation of contract administrator. The Boston Pacific contract administrator shall be Glenn W. Stevens.

**Article 6. ENTIRE AGREEMENT**

The original contract, including this Amendment No. 1, and Attachments, constitutes the entire agreement and understanding between the parties with regard to its subject matter.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the last date signed.

Contract No. 473-14-00315  
Amendment No. 1

**The Public Utility Commission of Texas**

By:



Brian H. Lloyd  
Executive Director

Date: 3-25-15

**Boston Pacific**

By:



Craig Roach, Ph.D.  
President

Date: 3-19-15